

12-13-2023 Medical Cannabis Production Establishment Board Meeting Minutes

Commissioner Craig Buttars Calls Meeting To Order - Utah Department of Agriculture and Food

Members in Attendance: Commissioner Craig Buttars, Dr. Edward Walker, Chief Jason Williams, Miles Maynes, Drew Gubler, Josh Daniels

Commissioner Craig Buttars Reads Statement: "All participants will be muted until asked to speak by the board. If you are a company representative please click Raise Hand when it is your time to speak and one of our admin will unmute you. During the public comment period please type in the chat box or click Raise Hand to be called on by the board, at which point you will be unmuted. Thank you to everyone for working with the department to ensure a professional and efficient meeting."

Josh Daniels moves to approve the 10-10-2023 Medical Cannabis Production Establishment Board Meeting Minutes

- **Motion Seconded - Miles Maynes**
- **All Present - YES**

2024 Medical Cannabis Production Establishment Board Dates

- February 7th | Documentation Deadline: January 17th
- April 17th | Documentation Deadline: March 20th
- June 12th | Documentation Deadline: May 15th
- August 14th | Documentation Deadline: July 17th
- October 9th | Documentation Deadline: September 11th
- December 4th | Documentation Deadline: November 6th

Medical Cannabis Tier 1 Processing Application Approval: Two West Med

Cody James Introduces Two West Med: " Thank you Commissioner. Cody James, I'm the Deputy Director of the Industrial Hemp and Medical Cannabis Division here at the Department of Agriculture and Food. The board may remember that Two West applied for a Tier 1 Processing License back in 2021 and actually was awarded an Intent To License in December of that year; of 2021. After that, there was actually very limited communication with Two West and during that entire one year timeframe that they had to get set up with a license. The UDAF staff had to reach out several different times to several different contacts to finally be told that they were not moving forward with the application. Two West reached out this fall to discuss reapplying and they chose to postpone that application until now and so they are now choosing to apply again. So 2 West plans ,based on their application, to be located in Utah County and plans to complete ethanol extraction. They are working to complete the application requirements such as the business license and the bond and have started ownership background processes. They are aware of the pending application requirements prior to being given a license if it's approved and if the board does approve this they will have one year to receive their final approval and get licensed with the department."

Two West Med States: "Yes, absolutely. We are moving forward and that is our intention."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Miles Maynes asks Two West to give a brief summary of what occurred during the hiatus to now.

A. 2 West states that there had been a death in the family and that they have restructured the company.

- Commissioner Craig Butters opens the Public Comments; no Public Comments were submitted and Public Comments were closed

- Dr. Edward Walker moves to approve the Medical Cannabis Tier 1 Processing Application for Two West Med
 - Motion Seconded - Miles Maynes
 - All Present - YES

Medical Cannabis Change Request Approval: Pure Plan

Cody James Introduces Pure Plan: "Pure Plan has submitted a change request to update their approved methods of extraction to include solventless extraction. The Change Request includes flower washing equipment to produce a product called 'bubble hash'. Once the bubble hash is produced, Pure Plan will then use a press to press the hash into a rosin. If the board votes to approve the Change Request, Pure Plan will need UDAF to do a final inspection and also receive a Good Manufacturing Practices inspection prior to receiving the final approval and move forward with the new method."

Pure Plan States: " No, I do not have any comments other than we're just excited to bring some more solventless products to patients here in Utah."

- Commissioner Craig Butters opens the Medical Cannabis Production Establishment Board Questions; no Medical Cannabis Production Establishment Board Questions were asked and Medical Cannabis Production Establishment Board Questions were closed

- Commissioner Craig Butters opens the Public Comments; no Public Comments were submitted and Public Comments were closed

- Miles Maynes moves to approve the Medical Cannabis Change Request for Pure Plan
 - Motion Seconded - Dr. Edward Walker
 - All Present - YES

Medical Cannabis Change Request Approval: Wholesome Goods

Cody James Introduces Wholesome Goods: "Wholesome Goods submitted a Change Request to manufacture infused topicals. The request does not require changes to or any additional extraction methods, but it does require board approval for the change in formulation."

Wholesome Goods States: "Cody gave a good summary. It's a different additional product we'll be adding to our lineup, but it won't require much difference from our extraction facility or our processing in the part of our business. So, we just appreciate you all being able to find the review of this stuff. We appreciate UDAF for seeing the Change Request through the review. So happy answering the questions."

- Commissioner Craig Butters opens the Medical Cannabis Production Establishment Board Questions; no Medical Cannabis Production Establishment Board Questions were asked and Medical Cannabis Production Establishment Board Questions were closed

- **Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Dr. Edward Walker moves to approve the Medical Cannabis Change Request for Wholesome Goods**
 - **Motion Seconded - Josh Daniels**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: True North

Cody James Introduces True North: “ Our first renewal is for True North. And I would like to just preface the board based on what the Commissioner said, that the summary is going to include those couple of items that is required by statute for the board to take into consideration, such as production from the current licensing year of 2023 and what they are planning on producing in 2024, as well as any compliance issues that we ran into during the past year. So, with that being said, again, I'll move on to True North. So True North Cultivation was one of the licensees that received a license the very first year of licensure in 2019. They are growing in Box Elder County. They grow indoor only and have a growing area of 43,944 square feet. During this year, our reports show that True North Cultivation had two failed lab samples, one for microbial contaminants and one for foreign matter. Production numbers are, in 2023 they projected to produce 4,800 pounds of dry biomass. What MJ Freeway records show is that they produced 7,601 pounds of dry biomass. The projections for 2024, although initially were reported to be a little over 14,590 pounds, was just clarified today to be 9,924 pounds is what they're projecting for 2024. This year, True North received one warning of a violation letter that had two areas of non-compliance. That warning letter was based on findings from July 3rd, 2023, where we had a violation for R68-27-4, which is facility requirements as well as R68-27-7 inventory control. What we found was the square footage listed on the approved operating plan did not match that of the measurements taken by our inspectors and the clone room measured 128 square feet, which was lower than the operating plan stated. The greenhouse measurements were also off by a larger amount and then True North's internal waste log on June 12th, 2023, but was not added into the inventory control system until a day later, not meeting the requirements of having that reconciled at the end of every day. As I mentioned, that was one warning letter that had two areas of noncompliance, which was actually an improvement from their 2022 numbers, where they had four violations total found, again showing an improvement in compliance, which goes to show that they can do it. So what is actually pretty happy to see that with this group. So that I'll turn back over to the board for any questions they have for me.”

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Dr. Edward Walkers asks for clarification on whether the numbers provided as for products that went into the market or if the numbers include the production that was discarded.

A. Cody James states that the numbers are based off of the dry biomass produced before any processing has taken place.

Q. Miles Maynes asks if all facilities are inspected equally.

A. Cody James states that all facilities are inspected equally. The Medical Cannabis Division has 5 inspectors in the field at all times conducting inspections. They are visiting facilities based on when the last inspection took place, to ensure that every facility has been inspected ten times a year. Some Cultivators have more than one location and that does affect the amount of inspections. Each inspection generates a report that is reviewed by the Medical Cannabis Division's Case Manager to verify the violations and ensure that there is consistency across the board for all inspections conducted.

- **Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed**

- **Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for True North**
 - **Motion Seconded - Josh Daniels**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: Beehive Gardens

Cody James Introduces Beehive Gardens: "Beehive Gardens is located in Weber County. This was a license that was originally given to Harvest of Utah, but in early 2021, Beehive Gardens took over ownership of that. Currently Beehive only grows indoor and has a canopy space of 1,425 square feet. According to our records, they did not have any failed quality assurance test from their cultivation. Their projections in 2023 were 720 pounds. They actually, up to date, according to our records, they've produced 673 pounds and their projection for 2024 is 720 pounds as well. Last year, or during this last year, Beehive received three warning letters that overall included six areas of noncompliance. These warning letters first was found on March 7th, where R68-27-9 fertilizer use was a violation as well as inventory control and then an operating plan violation, which we found a batch of product in the storage vault that showed as inactive in the inventory control system and with the weight of zero and also found several fertilizers that were not on an approved operating plan. May 15th, inventory control concerns where 48 plants were found incorrect in the inventory control system locations. And then in August 11th, 2023, security requirements as well as the change in operation plans where we found one of the two cameras in a tent was blocked by the lighting fixtures and could not provide a clear view of the room and also found several pesticides located in the cultivation that were not on the improved operating plan. That being said, comparing those three warning letters with the six areas of noncompliance, this is a slight increase from 2022 where they had four areas of noncompliance during the whole year. With that, I'll turn it back to the board."

Beehive Gardens States: "While those areas of noncompliance seem a lot larger than the issues at hand, I'll address a few off the top of my head. The plant count one, we have two tents. One is Tent 1, one is Tent 2. Our staff was confused on Tent 2 versus Tent 1, because it was a numerical issue. So from having plants in the wrong area, it was just an oversight. So what we've done is we've added more signage and made sure everybody's up to speed on one tent is Panama, the other one is Guantanamo. So we know very much where the plants are gonna be held in quarantine. We had some warnings on pesticides. We went back and forth and contested one of the warnings, because when we went back, the pesticides we were using were listed in our approved plan. So I believe one of those warnings we contested and UDAF said, 'okay, you're right, the proper fertilizers are there.' By all means, not an attempt to use anything unapproved. It was just not included in our original plan. Since then we've updated our schedule and our fertilizers as well. So nothing major changed between this year and last year, aside from some headcount. So we had some turnover that we're bringing in some new experienced individuals that will have to minimize some of the onboarding, which has led to some of these oversights. So business as usual for 2024. We're looking forward to being part of the program. We're one of the smaller groups so these little issues, we are a little more nimble to address early on. So the issues that you've seen us in March, I assure you won't be repeated come March again in 24."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Chief Jason Williams asks if the security violation was corrected as well.

A. Beehive Gardens states that the lighting fixture that was creating the blockage was moved before their next inspection.

Q. Drew Gubler asks for confirmation that all corrective and noncompliance issues have been resolved.

A. Cody James states that Beehive was good in following within the required timeframe with plans to fix all violations. They have not had a violation since August 2023.

Q. Josh Daniels asks for clarification on if the two tents combined equals the 720 pounds of produced biomass.

A. Beehive Gardens states one tent is used for seedlings before moving them to the second to prevent any cross contamination from their existing production facility. The two tents add a guesstimation of five to seven pounds to what their production room produces, but it is still included in the total number.

Q. Miles Maynes asks what Beehive Gardens niche is in the existing market if it's not dry flower production.

A. Beehive Gardens states that it is dry flower production. Indoor Craft Flower.

Q. Miles Maynes clarifies that he meant quantity.

A. Beehive Gardens states that if it's not quantity it's quality. More Craft than Commercial. Their lower plant count allows them the time to ensure the quality of their product.

Q. Miles Maynes asks if Beehive Gardens feels like they have achieved their goal for quality for 2023 and for 2024, despite their number being in the bottom 10% of production quantity in the market.

A. Beehive Gardens states that they do feel like they achieved their goal. Their production met their demands for their retail stores and their wholesale partners. They state that they are self-regulating due to their opinion that other producers have overproduced.

- Commissioner Craig Buttaris opens the Public Comments; no Public Comments were submitted and Public Comments were closed
- Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for Beehive Gardens
 - Motion Seconded - Dr. Edward Walker
 - All Present - YES

Medical Cannabis Cultivation License Renewal: Tryke

Cody James Introduces Tryke: "Tryke has been licensed since 2019, although in late 2022, the board approved a majority Change of Ownership. Tryke is still located in Tooele County. They grow indoors and have 58,400 square feet of space. For 2023, they projected 14,770 pounds. Our MJ records show in 2023 that they produced 8,638. And in 2024, their projections are at 7,717 pounds. I'm sure when it gets their time, they'll actually be explaining that a little bit as they get up there. During this past year, Tryke had zero failures for quality assurance testing coming from their cultivation side. As far as violations go, they received three warning violation letters this year with eight areas of noncompliance. That's actually down from the 11 that they had since the ownership took place late in 2022. To go through those violations in January they had an inventory control situation, found several trays of clones, plants over eight inches that were not individually tagged as required by regulations. In September of this year, they had an operating plan, facility requirements violation, security requirements, pesticide and fertilizer use, and as well as transportation. To summarize those, they had three fertilizers

unregistered with the department and not part of the current operating plan on file and did not show UDF the website as being registered with the department. We have a list of those fertilizers there. While reviewing security requirements, the inspector observed four delivery drivers were entered into the visitor log as being there on 9/9. When the video footage showed that they were actually there the day before. When reviewing TM, one of the Tryke to Pure UT dated, I'm sorry, transportation manifest, had a departure and arrival time of 6 p.m. for both timeframes as well, whereas regulations claim that there has to be a clear cut transportation timeframes, one that actually left and one that actually arrived. And then in October of this year, they had another security requirement and transportation. Found a blind spot in the flower room, pod seven in the corner, where a visitor worker could not be seen, and a transportation manifest dated September 8th with an incorrect time of in and out again at 6 p.m. where it actually left at 10:46 a.m. that morning. And then observed another transportation manifest with incorrect dates of leaving the facility. The manifest was created on September 27th and did not leave the facility until 11:11 a.m. on September 28th. Again, overall, since the change of ownership, there's been a drop in areas of compliance, again, 11 prior to that and 8 since that time."

Tryke States: "As Cody mentioned, we have done our best to create a culture of better conformance than was with the previous ownership. I think we've made great headway in training staff and trying to bring the same diligence we've brought to the North Salt Lake processor facility to the Tooele facility. As you know, these things are an ongoing experience, but we feel we've made great headway and have, due to the warning notices received this year, even found better opportunities to improve those areas of conformance."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Drew Gubler asks if the noncompliance issues have been addressed.

A. Cody James states that Tryke followed up within the required timeframe with plans to correct the issues. He notes that Tryke's team was quick to get back to the department, usually within the same day or the next after the warning was issued. No other violations have been found since October of this year.

Q. Miles Maynes asks if they plan to change the name to Curaleaf.

A. Tryke states that they do not have a plan to change the name at the moment.

Q. Miles Maynes asks why they have cut down their estimated production numbers for 2024.

A. Tryke states that they informed UDAF in the middle of the year that they were planning on lowering their expectations for 2023. They state that they agree with Beehive Gardens' view on the market being overproduced with flower, but if there is a need to increase their production their facility is able to handle that.

Q. Miles Maynes asks for clarification on the mentioned 280E.

A. Tryke states that 280E is an onerous tax code, that, while cannabis is legal at the state level, it is still a CSA1 controlled substance. It limits what a company in the cannabis industry is able to write off; only the cost of goods. They state that every cannabis company in America is leaving 20% of their profits on the table.

- **Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for Tryke**
 - **Motion Seconded - Drew Gubler**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: Zion Cultivars

Cody James Introduces Zion Cultivars: "Zion was one of the licensees to receive a Cultivation license in 2019, and they have not had a major Change of Ownership. Zion is one of our growers that grows in two separate locations. They have a location in Sevier County as well as Utah County. They currently grow indoors only and use about 61,000 square feet. In 2023, they projected 5,800 pounds of dry biomass and in 2023 they produced, up to date, 5,711 pounds. Their projections for 2024 was 4,600 pounds. Over the past year our records show that Zion cultivation had three failed quality assurance samples for microbial contaminants from the cultivation side. And as far as violations, Zion Cultivars received four warning letters with six areas of noncompliance. This is actually down from 2022 where they had 12 noncompliance issues. To go through those four warnings and those six areas of noncompliance, in January some security requirements as well as transportation violations where a camera in the fertilizer mixing room was overexposed, therefore making it unable to clearly see. It took place on January 2nd of 2023 and lasted for a minimum of four hours. Also found a manifest from December 19th, 2022 that was missing the producer's signature rendering the manifest incomplete. In May they had more security requirements and an inventory control violation where a camera outside southeast facing west was covered by dirt and could not be viewed clearly. Plants were found in Room One but were shown in the ICS, or the inventory control system, to be in Room Six. And there was indication that they had been moved into the inventory control system to Room One but was unsure why they were in actuality in Room Six. In August they had a facility license violation where they had accepted a transfer from their own processor in order to shred the cannabis material down into a fine material with their shredder, to transfer back to Zion Alchemy for processing. The cultivation facility is not approved to conduct processing activities according to a statute; including preparing material for extraction. So it is a violation of that rule to do that. I will say that we've had long conversations with them about how to handle this and that is a situation that is just, is either in the process of- or we've come to an agreement on how to make that work just in the last couple of weeks. And then the final warning letter was inventory control. We found that they had a physical count of 1,188 plants between 19 batches, but it did not match the count listed in the inventory control system. When asked about the discrepancy, it was noted that it was an MJ Freeway issue, however, based on the explanation UDAF provided to us on July 18th, the issue should have been addressed and fixed. Therefore, it was still the physical count that was off. So again, overall, four warning letters with six areas of noncompliance. A couple of those were repeats, but a decrease by two-thirds, really, for noncompliance issues in 2022. With that, I'll turn it back to the board."

Zion Cultivars States: "We've had some changes in personnel, so we actually think that this year coming that we will actually do better again. Some of our violations were a direct result of an individual that we had employed who caused some of those violations and they are no longer with us. And so we are always, like Alan says, trying to up our game. I think we always, all us licensees try to do that. And then as far as the camera goes, I mean, we've all seen the weather we have outside. Sometimes we can chew our own air. Sometimes when we get rain and it brings down a lot of stuff out of the air it gets our camera outside, like external camera muddy. We at that time failed to have that camera clean. And so that's the violation of that. And like Cody said, I think we worked out what has happened with the transfer of material that's going to be ground up by the shredder."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Dr. Edward Walker asks if the reason Zion Cultivars is planning to decrease their production is similar to what the other licensees have stated about the current market.

A. Zion Cultivars states that it is because of what has been previously stated. Their previous projections had been based on the amount of patients with the assumption that the number would continue to grow, and as that number has not reached what the projection had been they are assessing and making decisions about how much they grow versus the demand.

Q. Miles Maynes asks what Zion Cultivars had expected the number of cardholding patients would be at the beginning of the program.

A. Zion Cultivars states that they think that more education outreach and getting the Utah Medical Association and others on board with helping patients that are good candidates for cannabis treatments would help increase the numbers. They state that by this time they would have expected there to be at least 100,000 to 110,000 patients in the program. The actual number is significantly below that expectation.

Q. Josh Daniels asks what the typical price for an ounce costs in the industry currently, and what roadblocks Zion Cultivars is seeing related to patients gaining access to products.

A. Zion Cultivars states that since this is a Cultivation meeting and not a Pharmacy meeting that they'll leave it to Pharmacy to explain the exact pricing. Cultivators do not get to sell directly to pharmacies, they have to sell to processors. Typically, in the industry, everybody will market it up double from what it cost to produce the flower. They explain that it typically goes; Cultivator will sell to a Processor 2x what it cost to produce the flower, the Processor will sell to a Pharmacy 2x what it took to package the product, and the pharmacy will sell to the patient 2x what they paid for it.

Q. Josh Daniels states that he agrees with the need for more educational outreach for patients, to help advocate for the safer choice within the Medical Market.

A. Zion Cultivars states that typically in the national market flower makes up 50% of the sales, while in the Utah program flower sales is slightly less than that. This indicates that there is a large percentage of people who are looking for medicinal forms and not just flower.

- Commissioner Craig Buttars opens the Public Comments;

Unknown: "As a retailer and a cultivator, I think our biggest bottleneck on the limitations in the program is going to be through the hurdles of going through a doctor; the financial burden of that. As a retailer and a cultivator, we query our patients, we query the illicit market, we also query the neighboring states, and the barrier to entry is going to be for somebody to get a car and maintain it for 12 months, and then renew it."

Dragonfly Greenhouse: "One additional comment towards the patient count. The real reality of the situation is while we're sitting at a patient count around 72,000 patients, roughly, the real number that is alarming is the attrition rate. We have 43,000 patients that chose not to renew. 43,000 patients. Those are not 43,000 patients that decided one day that cannabis didn't work for them. So they're either getting that from neighboring states, or they're getting that from the illicit market, because we were able to serve the needs of those patients. So that's really the big challenge, the big number, right? Had those people been able to stay in a program, we probably could be producing the output that we've all invested in as well."

Desiree Hennessey: "I'm Desiree Hennessey. I'm with the Patience Coalition. I'm gonna, I guess, just mirror what Nair said just now to some of your questions. What we have seen is about 40,000 patients drop off the program. I speak with a lot of those patients and, you know, what I noticed is that they applied for our subsidy program and then no longer had a valid card. I did a lot of phone calls to ask why. I ran into one person that said that they had quit using and because they switched jobs and could no longer use it. The rest of the patients, and I'm talking hundreds of patients, said that it was because they could get it cheaper on the illicit market or

because they could not afford or find a doctor that was willing to write the card. I did explain to them that the quality was much different, but when they just didn't have the money- what we had done is kind of created this program where we showed them that it worked for them and then left them not being able to afford it. When you have, your doctor won't write the card or the recommendation and then you have to go to a QMP that we've created and they're charging you \$200 cash payment, it's so much easier to just go pay \$30, right? And get it off the street. So that's the problem that we're running into. I think we have created the LMP program which alleviates the need to get their QMP and try to hopefully push patients back to their primary care physicians because if they go to their primary care physicians, it's the cost of a co-pay. So I know that's not what this meeting is about, but just understanding that we have possibly around 40,000 patients that are using cannabis now that just cannot afford the program that we have presented them with. And there are ways that we can fix that if we all just get together and agree on that stuff."

- **Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for Zion Cultivars**
 - **Motion Seconded - Dr. Edward Walker**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: Dragonfly Greenhouse

Cody James Introduces Dragonfly Greenhouse: "Dragonfly Greenhouse was one of our original licensees, being licensed in 2019. They have not had a major Change of Ownership during the last couple of years. So it's still the same group. Dragonfly Greenhouse grows in two locations. Both of those are located in Sanpete County. Both locations grow indoor and they also have outdoor. Location One grows indoor with some greenhouses, totaling at 25,837 square feet. And the second location has 17,508 square feet of indoor, and their outdoor measures 1.86 acres. For 2023, they projected 22,150 pounds and our records in MJ Freeway for 2023 have shown that they have produced 10,300 pounds. I believe there'll be an explanation- I think we reached out and they still had a lot that was still drying out and not quite finished is what we had heard. But I'm sure Nareth will discuss that. And then for 2024, they're projecting 19,000 pounds to be produced. Dragonfly had zero failed quality assurance samples this year out of their cultivation. As far as violations, they did receive six warning letters with 10 areas of noncompliance. This was down from 14 in 2022. To quickly go through those warnings and violations, in March, they had some facility requirement violations as well as some pesticide and fertilizer use and an operating plan violation where they found footage of a visitor being unescorted and had access to a controlled area without restriction or an escort. They found several fertilizers or pesticides that did not have a material safety data sheet and were available to the employees. And also found that the following fertilizer pesticides were not registered and were not listed on the approved operating plan with the department. In April of 2023, they had an inventory control issue. Camera footage showed plants being moved from the previous day and that movement of the plants was not reconciled at the end of the business day in the new location. In May, a security requirement with camera footage and one of their grow rooms had gaps of time where the room was not being recorded in the morning of the inspection. And then August 11th, change in operating plans that had a conditional approval to begin setting up a room, but there was no final approval given to move plants into that grow room but the inspector observed plants growing in that room at the time of inspection. And then, in October, they had some security requirements as well as pesticide and fertilizer use, where a visitor log was missing the badge number and another entry from September 22nd was missing the last name. And the fertilizer, one of the fertilizers was observed on premises, was not registered with the department. At their second location, going back to June, Cannabis Production Establishment General Operating Requirements violation, as well as security requirement violations, there was a power outage on May 5th for approximately eight

minutes, and the cameras were offline during this time, and there was not a backup power system as required by statute that was supposed to supply temporary power to the cameras during that outage. That being said, again, overall there were those 10 areas of non-compliance, which was down from the 14 in 2022. I believe that they worked with us on all those, got their replies back within the 20 day time frame. And again, it looks like since October they've been in compliance."

Dragonfly Greenhouse States: "Just to address some of the warning notices that Cody had mentioned, the majority of them have all been rectified. There was one warning notice, Case23-134, that warning letter was actually removed due to some erroneous filing. There was actually final approval on that Change Request. So that has been removed and confirmed by the department. In regards to some of the unregistered products, there was one issue where one of the producers basically deregistered their lists. We didn't know it was on there, so therefore it didn't show up on the registered list on there. That has since been updated. Those violations related to those have been updated into our operation plan. In reference to the warning letters that were about fertilizers that weren't listed there. Visitor log requirements, those have been updated. We've created a digital system with a paper redundancy process in the event that there are any power outages. In regards to Case-23-107, in regards to backup security power, we have purchased and upgraded all of our systems to ensure that we have those backup security powers and those cameras will continue running in the event of a power outage. In addition, violation of GERDS to firmware, we were able to get those updated as well. We had a little bit of a perfect storm of our equipment in terms of hardware, software, and firmware. All kinds of going down over the course of a few months. I think that was just a matter of warranty running out on those products. at the same time. And then there is another Case-23-204 regarding biomass storage room that we are still seeking guidance on. I believe there's a little bit of misunderstanding in terms of what the intended use for that room is. It is a storage room intended to use for biomass. Yet somehow we're not allowed to do that, so we're still working through that particular warning notice there. And then an additional one for Case-23-069. We've submitted Change Requests to update our operating hours and making sure that the team knows the laws about plant movement and reconciliation. We had operating hours that were Monday through Friday, so paperwork would then be completed Monday. If plants were moved on Sunday. that didn't get logged until Monday morning. So those were all corrected through those changes as well too. So those are addressing all of our warning letters. There were a couple of notices as well too, letters of concern. One was just in regards to cannabis being visible from the road or the perimeter. We're still waiting to get response back from that one, but in confirmation of that photo, that photo was taken on private property, so we're trying to figure out where that boundary of where product needs to be seen from. So those are all the things that we would like to address in terms of the warning letters, but obviously we're putting good faith to make sure that we correct all those actions and make sure that we invest in the cannabis board."

Cody James States: "If I could clarify as well. So talking about the security system and the cameras as well, we actually had a meeting with Dragonfly yesterday, because we've actually been continually getting reports from them that their system is going down, that the cameras aren't working, which is becoming an increasing concern, right? Obviously we appreciate them being up front with us and telling us that it's going down. It's not doing that, but it's happening so often that it's becoming obviously a concern type of thing. So I don't necessarily want to say that I'm correcting my statement that all of them are, have been fixed, but there is an ongoing concern that we've told them yesterday that we'd like that fixed and maintain that correctness ongoing versus a continual outage and reporting."

Dragonfly States: "So my name is Jeff Chen. I oversee compliance over at Dragonfly. So as previously mentioned, it was just kind of a perfect storm of different issues, you know what I mean? So it was just like, for example, a camera issue, a switch issue, firmware on the cameras, software on the server, you know, just different things like that just kind of falling and almost

like a domino effect. unfortunately, but we had a meeting with Cody and the UDAF team regarding these kind of issues and the steps that we've taken and steps that we plan on taking in the future that not run into these issues because, you know, trust me, I hate having camera issues. I hate having any type of issues, so it's frustrating for, you know, on our end and I'm sure it's frustrating on UDAF saying that, you know, we keep having these issues and it is not intentional, you know, by any means. It's just, unfortunately, electronics sometimes fail and things, you know, just don't work as planned."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Miles Maynes asks what the solution will be for the mentioned technology issues.

A. Dragonfly Greenhouse states that due to the amount of varying issues they have upgraded multiple systems including the camera firmware and the software. They are planning on moving the failing switch to inside the structure to protect it from the elements. They are speaking with ADT to schedule routine maintenance to ensure the firmware is updated.

- **Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Dr. Edward Walker moves to approve the Medical Cannabis Cultivation License Renewals for Dragonfly Greenhouse**
 - **Motion Seconded - Mile Maynes**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: Riverside Farm

Cody James Introduces Riverside Farm: "Riverside Farms is another one of our initial licensees. We're receiving their license in 2019 and they have not had any changes of ownership. Riverside Farm is located in Box Elder County. They grow both indoor and outdoor and use 49,344 square foot indoor, as well as 2.4 acres outdoor. The reason for that 0.4 acres above 2 is because they have received their 20% increase from the board. In 2023, their projected amount of production was 10,600 pounds. They produced 17,226 pounds and their projection for 2024 is 12,000 pounds. This year Riverside Farms had one quality assurance failure for microbial contaminants from their cultivation. They received five warning letters and two citations, overall that's seven areas of noncompliance, slightly down from nine areas of noncompliance in 2022. To go through those, I'll start with the two citations. Citation first from August 11th, 2023. It's a violation of their indoor and outdoor cannabis cultivation limitations. Found that the outdoor cultivation area approved for growing went over the allowable limits as outlined in rule and is approved by the department in the operating plan. The approved plan listed the outdoor growing area is 2.4 acres, including that 20% annual increase from 2 acres. However, the growing area was measured at 2.73 acres and they received a fine for that. The second citation was from August 17th, 23 violation of statute cannabis production establishment licensing and according to the advisory board's composition and duties. As the board knows, the board shall hold a public hearing to review a cannabis production establishment license at the establishment, dropping to E, adds an industrial hemp processing or cultivation license to the same location as the cannabis production establishment processing facility, as necessary based on the recommendations of the department. However, the department found hemp growing outdoors on the same site location as the processing facility, which requires prior approval to the board. As I noted above, they were fined for that. I should say that that was a situation that we worked closely with USDA who oversees hemp growers and came to the same conclusions as they did, even so that the USDA has actually put out statements, kind of batting that throughout the United States. Moving on to the warning letters,

back in March they had a general operating requirements violation where we found that the front gate was open and the front door to the facility was not secure, therefore allowing the inspector to enter through the facility unattended. The inspector was able to sign in to the visitor log and walk through the break room before any employee noticed their presence. In April, pesticide and fertilizer use found two fertilizers that did not have the correct safety data sheets as they were different branded products or a different fertilizer ratio. In May, they had an inventory control system, found that plants list on the inventory control system, being in Bay Three, but tags showed Bay Four. Plants located in Bay Four were showing a discrepancy in the physical location in the inventory control system. Same inspection, inventory control, they reviewed inventory and the following discrepancies were found between the physical count of plants and those in the inventory control system. Batch number 23411 had a physical count of 590, it was off by 2. Physical count for Cotton Candy, 594 was off by 1. Physical count for the GMO batch was off by 2 and the GMO batch, physical count 70 was off by 2 as well. There so for a total of about 10 plants off. In July, there was a violation found for their change in operating plans, found that the area on the west side of the facility already had cannabis plants growing in it and since changes to the operating plans cannot be implemented until the department approval is provided, it makes the growing of the cannabis in this area at the time of inspection on noncompliant again as because that operation plan had not been approved or inspected by the department."

Riverside Farm States: "I just want to thank the board and Cody to take the time to discuss all of our failures for this last year. Thank you very much. I do want to talk through a few of those. As far as the citations, the second one he did announce that CANN, that's 23-011, that one actually is addressed to our cannabis processing facility, not to our cultivation. So we probably shouldn't have been brought up at this meeting. As that's what the citation was addressed for, but I'm happy to discuss it in general. We did partner with a farmer that was looking for land to grow hemp. We have plenty of land up here in our facility, as being a secure facility. I had spoken with USDA field directors, although there is language saying a medical marijuana licensee cannot grow Industrial Hemp, when I talked to them about having just a leased land of farmers, they didn't, at the time, see there was any issue. They allowed us to go through, at which point in time, there was just kind of a misinterpretation and understanding of the actual rules between approval and which production establishment was getting the license. As this was under our cultivation, but the law does say as a production establishment processing facility, you need to get approval. So we kind of went back and forth and we did come to a good agreement based off of that one. The second citation to talk about was the citation 23-011. or 10, my bad, that one is talking about our two acres of growth. So when we plant and prep our field, I mean, we'd use GPS within our tractors, but we also manually walk the field, we have a wheel to measure that we can walk up and down to get to the correct square footage. At the time of planting, we measured with our wheel, we were within the allowance of the 2.4 acres that we've been approved for. We did later on, after everything had been planted for about a month, the Department of Agriculture did come up with an inspection and upon their measurement, they got a different number. We then took our wheel and walked with them side by side, and we came up with the same number that we had before, and theirs were off. So there was a dispute between which measuring wheel was correct. Through discussions with the Department of Agriculture, we came to an agreement that this next year, that as we get ready to prep for our outdoor field, we will be inviting an inspector up to our facility to walk and measure everything before planting, that way to avoid any type of future issues. As far as the warning letters we received, the front gate is on a timer, at which point it could have been that the inspector arrived as it was open, and before it shut, typically it's about a minute and 15 to minute and 20 seconds that that gate remains open in order to allow delivery vehicles when they get here to back up in time to get through. At that point, we didn't have any access to material, she entered into the break room, there were employees there that were to address the need as she came through the door. When it comes to the pesticide and fertilizer, again, the fertilizer we use, the ratios, we did get those added quickly, the safety data sheets just needed to be updated to change processes to ensure that as we are supplied with

our pesticide and fertilizers, if any changes have happened between the existing data sheets and the new ones that they will be replaced. And last, on one case, in regards to a plant being found and tagged in the wrong bay, this one I did dispute it. I was told it will still stand, but I'll still bring it up is, we had one batch of plants that were spread between two bays, and they were tagged appropriately. There was a batch in Bay Three, there was a batch in Bay Four, same everything. She had just looked at her sheet and saw that Bay Four, that batch was in Bay Three, but it was tagged here in Bay Four. I wasn't notified at the time of the inspection in order to answer and point to her that it is actually correct. By the time we received the notice that those plants had already been harvested and removed. I mean, I'll just continue to tag plants as necessary. And then just in general, just other plants we've had made operational changes as far as our SOPs in regards to plant tagging. All plants are tagged before they hit the ground, at which point they are counted correctly. We had to retrain some employees on the importance of ensuring every plant gets tagged. And if they are overlooked, then we need to address it the same day in order to get those to remain compliant.

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions; no Medical Cannabis Production Establishment Board Questions were asked and Medical Cannabis Production Establishment Board Questions were closed**
- **Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for Riverside Farm**
 - **Motion Seconded - Josh Daniels**
 - **All Present - YES**

Medical Cannabis Cultivation License Renewal: Wholesome AG

Cody James Introduces Wholesome AG: "This one will probably be a little bit more time consuming. As the board remembers that there was a concern on some things at the processor renewal a couple months ago. But in regards to Wholesome AG renewal for cultivation, Wholesome AG is also one of our original licensees from 2019 and they're currently cultivating in Davis County. Prior to just cultivating solely in Davis County, they were growing up at the Riverside Farms location in Box Elder County up until recently. Currently they're growing indoors and use 9,200 square feet. Their projections for 2023 were 6,800 pounds. They produced 8,100 pounds and their projection for 2024 is 6,416 pounds. According to our records this year, Wholesome AG had three quality assurance failures from their cultivation side, two for microbial contaminants and one for heavy metals. During 2023 this year, they received one letter of concern, two citations, and 15 warnings of violations totaling 20 areas of noncompliance. This is actually an increase of 11 noncompliance issues from 2022. To go through those violations, the letter of concern, which was sent out on, or was based on March 15th, mentioned that there will no longer be a separate visitor log for Wholesome and that all visitor logs will enter through the Riverside, where the Wholesome staff on site will not have access to the inventory control system when working with plants. Riverside Farms will have control of compliance and all facilities. This was a letter sent to Wholesome AG saying that the department had concerns, that they were putting all compliance issues onto the Riverside side, and then we wanted to make it clear that they would still be held liable if any compliance issues did come up in that aspect. There's a citation back in January for security requirements, which is the second offense that we found for that violation, as well as an inventory control situation, which was also a second offense, which on January 23rd, when we looked at visitor logs, we found two pages that were missing batch numbers and also found a plant missing a physical tag. The second citation was more recent. It was based

on November of 2023, where the Cannabis Production Establishment License violation. So we went and performed worker protection standard, complaint inspection in conjunction with the pesticide program here at the Department of Ag, and after being informed of a complaint from a former Wholesome AG employee stating that Wholesome is applying pesticides in their cannabis and then requiring workers to enter the grow rooms immediately after application without PPE. The complaint also stated that because of open ventilation in the building that the processor side of the building is also being exposed to the pesticides. The first copy of the most recent pesticide spray log provided had August 15th, 23 as the most recent application but could not locate footage of that application. The second log presented had August 2nd without explanation to the change. During the review of the pesticide application recorded on August 2nd, an employee of Wholesome applied Regalia, which is an EPA registered pesticide, Cease, another pesticide, and Grandev. Hopefully I'm pronouncing those half correctly. They were missing the active ingredients for Regalia and Grandevo, but the central display setup in the hallway did not have an active ingredient list for the pesticide applied either. The applicators were not fit tested and did not have medical clearance and were not trained in their respiratory safety. The Grandevo pesticide label requires minimum of NIOS approved particulate respirator with an R or P filter with NIOS approved number of prefects TC84A. The NIOS approved air purifier respirator with an HE filter with NIOS approved number TC21C. Reviewing the footage of the application on June 15th of Regalia and Milstop, it was observed that the application took place between 9:40 and 10:15, with a restricted entry interval of four hours. The footage showed another employee enter the facility at 11:37 a.m. during the restricted entry interval. When asked why he entered the room, he replied he did not know why. When asked if he would have entered the room if it was properly placarded or received verbal communication, he stated he would not have. Further review of that door did not have a sign signifying that the REI was in place and not properly communicated that the restricted entry interval was in place. This is a violation. As the board is aware our code 4-41A201 under the license states that there is a certain other state laws and local laws that the licensee has to follow and they were cited for not following the WPS standards under Utah Department of Agriculture's pesticide regulations. Moving on to the warnings. In January they had a violation with facility agents. Found that two of their employees working in the cultivator did not have their physical agent card on them. Although they had their processing agent card on them, they did not have their correct card for the correct facility. Therefore not meeting compliance. Another one in January of this year. was security requirements and inventory control and medical cannabis transportation. Found several entries were missing the time of departure and purpose of the visit. While reviewing inventory UDAF also found that there to be several plants and plant strains that had physical counts different than that in the inventory control system and transportation manifests where there were no directions stated on the two manifest dated January 18. In February, cannabis waste disposal and cannabis waste, or so two things for cannabis waste disposal under our R68-27-13 found that the ground cannabis waste had been placed in the garbage dumpster with the whole grow cubes thrown in. Therefore, the contents were not mixed to the required 50-50 mixture and not rendered unusable before leaving the facility. In March, pesticide and fertilizer use, inventory control and minimum requirements for storage and handling of cannabis, as well as operating requirements. Found Azomite on site that was not in their operating plan and did not have a material safety data sheet with it. Found that the front gate of the facility was open. The door to Wholesome's facility was not secured, allowing the inspector walk in the cultivation room before locating the employee. This found a container of fresh frozen material in the freezer storage that did not have a physical tag on it and with unique identification. Also found a plant in the cultivation area that was not in the active inventory and was told it was used as a Christmas tree that had been changed to waste in the inventory control system in December. However, it was being stored in the same room as active inventory. March 15th, inventory control. The physical count was 55 and they were off by two plants for batch 221207P. There is another inventory situation off by 50 with the Durban Night. Strawberry Coughy Cake physical count in Flower Room #1 was 26, and the physical count in Flower Room #3 was 125. The inspector's report showed that 104 should be the physical count. The

additional plants were physically accounted for but have been inactivated, making the inventory control system not current to the physical count. The escorting employee stated that it must have been inactivated on accident and they would reactivate them. In April, inventory control found that the inventory control system showed one plant to be located in the corridor. However, the plant could not be located and the licensee representative could not account for that error. Towards the end of April, another inventory control for a physical count of Peanut Butter Breath did not match the ICS. The physical count was 170 and the ICS count was 172. Also found that the physical count of 78' OG x LA A did not match the inventory control system. The physical count was 61 and the ICS count was 62. The employee escorting the inspector stated the Peanut Butter Breath and the 78' OG x LA A was most likely wasted, but not reconciled at the end of the day that it took place. In May, another inventory control, as well as a change in operation plan violation, found that one of the processes of wasting small plants was to pull the tag and mix the plant into the soil pot. Wholesome AG's operating plan did not outline this as the waste method, and therefore is out of compliance. Also found that all waste showed as wasted in the "burn pile" in ICS but was wasted in the pot it was growing in. Fog Dog was entered into the waste on 4/20 versus 4/17. Matt said that these plants had been destroyed. Again, Matt actually is Matt Page from the Riverside aspect, kind of referring back to the time when there was concern with Riverside and Wholesome's agreement. In August, there was a cannabis cultivation facility requirement violation. Found that the approved square footage for the growing list on the site plan was different from what was physically measured during the inspection, therefore making the operating plan inaccurate. Growing space measured by the inspector was 12,080 square feet, and the measurements on the approved operating plan were 9,055. Then on September 25th, the Cannabis Production Establishment License violation, was informed of an investigation that took place by Centerville City Police regarding an odor complaint at Wholesome AG located at their facility. According to the investigation, there was a violation of their local ordinance on Cannabis Production Establishment Standards. There shall be no emission of dust, fumes, vapors, odors, or waste in the environment from the Cannabis Production Establishment or facility where growing, processing, or testing cannabis occurs. The investigation found that there was odor of cannabis outside the facility as noted in the report and as noted in the Witnesses' Interviewed. Since all cannabis establishments comply with local laws, as noted in 4-41A-201, it led to a violation due to not abiding by local ordinances. I'm sure there will be this will come up there, but we have stayed in contact with Centerville City as well as Wholesome AG on what they're doing to try and remediate this problem. I do know that Centerville City has given them another 30 day extension to do that. I believe that goes to the 28th of December there, but I can read the letter and it might actually be part of your packets as well. But overall, there was a lot of violations that were stated in this aspect. One thing that we do hear a lot, our inspectors hear a lot from Wholesome AG, from certain employees, is that our inspectors come in and won't leave until they find something, kind of going back to your question, Miles, but I think as the past shows here, that's not the case. We've gone to plenty of inspections. Doing well over 100 inspections a year, not all of them are finding violations or types of things. So when we're listing out these violations, we take careful care to do the best we can in reviewing those types of things and getting to the board that if there is a concern about compliance and their ability or wanting to meet the laws and regulations. I will say this though, that we stayed in a lot of contact with JD here. He's very adapt at writing emails for sure, but there's a lot of contact there and for the most part, almost in every aspect I should say, not most part, that they try very hard to try and correct those problems after a long discussion.

Wholesome AG States: "I can address the two citations first. The one citation obviously was issued earlier in the year before they were doing the warning notices in relation to a visitor log and plant found tagging and things like that. I think by far and away our biggest challenge this year between our former facility and our new facility has just been getting our plant tagging and inventory down. I am happy to say that since the last one that Cody read, I believe from maybe May, we haven't had any similar violations. That took up a majority of the violations

that we had. I will say that one of the quality assurance failures that he read for heavy metals that was appealed and removed. My count of warning notices does not equal 15 and I am not sure he reported 15 to you. Regardless, we take it very seriously. I understand it is an uptick in what we had the year before but we were also operating between two facilities. Some of the things you heard about our operations in Garland some of that was just two licensees trying to operate in the same space and things being done a little bit differently. Sometimes using their labor as our agents. We are currently using their labor as our agents. That has all been cleared up now because that facility is no longer in operation. The other warning notices, in terms of anything related to waste and those types of things, have all been reconciled and you will see there weren't a lot of repeats from that in that regard. It was mostly repeats from plant counts. I can say though that there was no evidence that any plants had left the facility unaccounted for or anything had left the facility unaccounted for. It was more so not- failing to do those daily reconciliations in MJ Freeway which we now are focused on on a daily basis in ensuring those happen. Ensuring plants when they get moved say from the Mom Room to the veg room and then moved to other places making sure all those are accurate. We have developed internal policies, and spreadsheets and different things to track all of those things, and those are tracked each day. And so while it is a bit of an uptick from the year before, we are also operating from two facilities, and as you saw, kind of through the year, as the plant count issues kind of got resolved, the issues, you know, the number of issues lessened. So that's where we stand on the warning notices. I do want to turn, you know, our attention more towards, you know, what we're going to do next year, and then also address the odor issue. That was a big, you know, a big to-do at the last licensing board meeting. So we did close down our Garland facility, although we will probably come back in front of you all in February to receive, you know, to ask for conditional approval for a new, at least outdoor field. And so we envisioned that that will produce around 3,000 pounds of usable biomass. So when we said usable biomass, that means not the waste and the stick and everything actual biomass that can be turned into a product. So we are projecting, we didn't project that here because we don't yet have that facility approved, but we're projecting somewhere between 9,000 and 10,000 pounds to be produced next year between the two facilities. So we'll see you all back in early February. As far as the odor issue that we talked about last time, following the meeting the last time, actually while the meeting was ongoing, to the gentleman from our team, Chris, our CEO, and Taylor, our SVP of supply ops were actually in Missouri visiting another facility that had had some issues with odor and they were vetting these filtration units that we ultimately ended up purchasing 15 of. We've installed 14 of those throughout our facility. We are still waiting on some data, kind of results from a company called SGS who is world renowned for testing. We just put out some canisters today to start kind of measuring kind of after installation, the volatile organic compounds in the air. I can tell you both anecdotally and from our own data we've gathered, we have seen significant decreases in some ways. On average about 33% decrease in the amount of limonene that's present in the air, 18% to 20% or higher for pinene and other similar compounds. So we believe the units are working. You could come to our facility and I think if you just walked through our facility you would tell that the big difference has been made. And that took a lot of effort, right? That basically went from ordering the units in October to having them fully installed by the end of November. The reason that we've requested a second extension of time to the cure period with the city is to provide this data. The units are already operational and running and we believe making a real difference. So we are going to collect the rest of that SGS data. We should get results from them close to the end of the month and then we will follow up further with Centerville City but we have been in contact with the city. We've been in contact with UDAF. UDAF actually just came out last week to inspect the units to give us a final approval for that change request. And so we are confident that we are doing our part. We do intend to continue to explore with the city ways to amend their cannabis odor ordinance because I do believe that it is untenable, a zero tolerance odor ordinance. I don't think it is tenable for any cannabis business. An excessive odor ordinance that applies to the other businesses that are located in the same zone as us. We believe would be something that's more fair. So we're looking for a reasonable resolution. And

ultimately at the end of the day, we want to be treated like any other legal business, doing business here in Utah. But we're accountable for those things and that's why we've, in the two months since you all have seen us, have done a significant amount of work to remedy the issue. We continue to work with the co-tenants in the building to find a resolution, whether that is them moving to a new facility and us paying for moving expenses. You know, or whether that is, you know, other things we can do to help mitigate the issues. We've worked on making sure all the walls are sealed and everything, right? So not only have we spent to this point \$180,000 to remedy, you know, and mitigate this issue, we're prepared to spend, you know, quite a bit more money. You know, we, this is, this is, you know, we're in this for the long haul, right? We don't take any of this lightly. We don't take any of the violations lightly, right? I know that you've heard a few more from us than you maybe have heard from some others, But I do believe as the year's gone along and as we've settled into our new facility and moved away from the Garland facility, we've seen an overall, you know, improvement. And I do appreciate the department's willingness. I know Cody talked about my ability to write an email, but I do appreciate Cody's willingness to engage in these conversations with us. I appreciate Brandon and they're always willing to work with us. They may not always have the answer that I like. I understand, that's why there's always going to be some bit of tension, but they're always willing to have a conversation and I appreciate that. And I can say the same thing, you know, mostly about Centerville City and our dealings with them. We've had some good cordial meetings and some good correspondence with them. And I'm confident we're working in the right direction, you know, to resolve that, that issue. And we're really looking for, you know, forward to 2024. I mean, in 2023 alone, we introduced 120 plus SKUs into the Utah market. And we've created over a hundred jobs at just our Centerville, you know, facility. So we're, you know, although there are the challenges, Allen, you know, related to you all what 280E is, I'm always surprised at how many people still don't know what 280E is. It's the worst thing in our industry. You know, and some of the other challenges we face, but we feel confident that we, you know, can continue to operate, you know, even within that environment and those challenges. And I just appreciate you all taking the time to, you know, to go through this with us today."

Cody James States: "Commissioner, if I could correct myself. JD's right. If I reported 15, that was, I was wrong. I was looking at notes for another licensee. Just to be clear that it was 10 warnings, two citations, and one letter of concern."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Dr. Edward Walker asks if the 30% reduction in the limonene was a target goal they had set when they installed the 14 units.

A. Wholesome AG states that they believe that the longer the units are in operation the better they will do. The units have been installed for 3 weeks and they expect them to continue to reduce the smell. They state that they are prepared to install more if needed. They have also added carbon filters in the HVAC units and have scheduled maintenance for those to be replaced periodically. The smell of cannabis is an unfortunate side effect for every cultivation and processing company. There is no set number they want to achieve, simply reaching a point where there is a reasonable resolution for everyone.

Q. Dr. Edward Walker asks what Centerville City is going to use to test the level of reduction of terpenes.

A. Wholesome AG states that Centerville City will take their data and either compare it themselves against their own data, or provide it to an analyst for testing. It is not easy to research what is and what isn't considered an appropriate level of VOCs, but they are aware of what the City's ordinance currently is.

Q. Miles Maynes asks if they have considered the prospect of having to move facilities if their efforts to solve the odor issue fails.

A. Wholesome AG states that they have invested over \$10,000,000 into their current facility, and have up to a 15 year lease. Moving facilities is not feasible at this time. If they have to figure it out they will, but they are dedicated to solving the odor issue.

Q. Miles Maynes asks what value Wholesome AG sees themselves as a company bringing to the industry.

A. Wholesome AG states that they have a very specific place in the market. They have produced 120 unique SKUS for the market, they have one of the leading pharmacies in the state, and one of the leading home delivery companies in the state. They service 99% of Utah's patience with free home delivery. A shutdown of their cultivation facility would lead to the shutdown of their processing facility and their pharmacy, including the home delivery.

- Commissioner Craig Buttars opens the Public Comments;

Doug Shipley: "Doug Shipley with Intermountain Wind and Solar, one of the co-tenants of Wholesome. What we've experienced might be a little bit different, although we have had great communication between us and Wholesome, probably better than between us and the landlord, to be honest with you. They've been responsive when I told them it's an especially stinky day. They have sent over people to test the air with some sort of device, not sure how it all works. When we told them it's a little bit less, one of the better days, they've also done so. So I appreciate that. I know they have put in a lot of those filters, and that they have been running for a few weeks. For us, we were optimistic, and then it sounds like in one of the drying rooms that was nearest us, it started going again, so the smell in our office and warehouse space began to get pretty bad again. We contacted them, they came over and measured it. I have no insight as to what those measurements found, but I can say that the smell is far from gone. I do appreciate the cooperation, and I'm really hoping that we find a solution to this, because again, my office staff, for the most part, refuses to work from the office due to the smell and its impact on them. But like I said, my relationship with Wholesome is pretty open. They seem pretty open with me, and that's much appreciated, but I do- I can't say that the problem solved. It's still pretty bad. We have worked with the landlord and Wholesome for sealing the walls to what degree we thought that would affect it, I'm not sure, but it didn't do much. I would say their filters is far more of a step in the right direction, but like I said, I can't report that it's all that much better. I know it goes in cycles, and also, obviously, Wholesome can speak more of that than I can, but just from our perspective, that's kind of how it's going while changes have been made. We have sensed a bit of an improvement, but it seemed a lot better, like it was two weeks ago, then last week and this week are still pretty bad. Still get neighbors complaining, well not complaining, the neighbors stating if I take my dinner or whatever that my car smells like marijuana so it's sticking around but that's my report as a co-tenant here is that they are making a good faith effort more than good faith. I know they're putting money into this and it shows. I mean I see the contractor showing up. I know they're working hard on it. I just wish for their sake and mine that it would have had a greater result quicker. I'm not super confident that it's going to get better over time but they would know better. I haven't looked into the product they bought other than they showed it to me and it is indeed up and running and they are working hard on it. I just at this point I'm just I'm still frustrated but less of them just at the situation. I acknowledge they're working hard."

Robyn Mecham: "Yes, I'm Robin. I'm on the council here in Centerville. I receive a lot of the phone calls of the complaints of the smell. The smell is not only in the building and the tenants that are in the building with us; it's in the parking lot. You can actually smell it out onto Legacy and sometimes clear down onto the freeway. So it's in other people's parking lots. First of all, I want to start and thank Wholesome for meeting with the city, being willing to work with

the city. I know they put a lot of money into it to try to rectify- and this is what we want. We want them in our community, but we want to be able to keep the great businesses that we already have. So I'm a little frustrated when they're like, 'well, maybe these others will have to move out.' I'm thinking, 'but they were there and you're chasing other really good businesses and ourselves catch revenue out with your smell.' Another thing that upset me when they said, 'you know, we have this ordinance saying that there should be no smell. You know, that's not realistic.' But they built in our community knowing what our ordinance was. So to come back and say, 'well, it's not a realistic ordinance'. Well, you knew what the ordinance was when you built. So why didn't you come to us beforehand and see what could be worked out before building that and then saying to us, 'oh, this ordinance is too strict.' So, you know, that's a real problem for me because they- I know that they looked into other cities and I heard that they built in our city because some of the other ordinances in other cities were stricter. And so that's why they came here. And now they're saying, 'well, you know, we shouldn't have to deal with the smell because the ordinance is, you know, too strict.' But you knew what that ordinance was. So that's kind of frustrating to me. When I hear about some of the pesticide warnings that they've been given, some of the people that are calling me are asking me if any of these smells are pesticides, if they are affecting the people outside their buildings and their co-tenant and their workers. And I don't know that answer, but it was very concerning to me to hear how many warnings and citations they had for the misuse of pesticides. So, you know, we'd like to see them be able to work it out, but we don't want to lose our other great businesses and have them go to other communities because you can't be in our area because of this smell. And I don't know what the test is going to be because I don't know. And they tell me that they're coming in and testing the air. Is that just for particles of something? Or is that for the smell? Because the smell is in people's cars, it's in people's clothing. And so, you know, I would love to see them make it here, but I also don't want to see them chase out other businesses out of our community."

Bryce: "Yeah, thanks. You know what, I will just mimic kind of what was said by Doug and to some degree, Robin. I mean, I do appreciate- so we're a co-tenant in the building as well, as well as a resident, so I kind of look from both angles. I mean, I appreciate the work and effort that is now taking place by Wholesome to try and mitigate and fix the smell. You know, I think that the solution that's now being put out there is making some level of impact. I don't know that it gets to the, you know, what the city's asking for. And I think that's a whole nother debate. I do, I mean, I appreciate that they are a business trying to make a go of it and there are 100 employees, you know, from a business standpoint, I need to look at, you know, our 50 employees and our business and there is an impact. And that continues, you know, I think we can continue to work down a pathway, but it does, you know, when it's, when you're trying to run a business and you have issues coming up that aren't, you know, that are side issues, but make a big impact, it does, um, it's burdensome on a business, especially when it's not something that we've selected. So, you know, I do appreciate, like I said, and like Doug had mentioned, the work that's being done, I still think there's quite a bit of effort that needs to continue to get to a point where it works for everyone. So that's it."

Wholesome AG: "Yeah, I'll just respond to what Robin had said. In relation to what we are testing, it is testing the terpenes that are in the plant are what produce the smell. So that is what we are testing for. There is no evidence that anything that is leaving our building is pesticides or anything like that. As a matter of fact, there was a complaint made about potential pesticide drift, and they did not find that the pesticides, if they had drifted, they were things that were approved, registered, and everything. There's no question that the WPS standards or issues that we have faced are in any way indicative of what's being admitted into the environment. And one thing I would say is, when you've come to visit our facility or you've gone and drove down Legacy or you've gone and drove down the freeway, timing of that is important, right? The last three weeks is when we've installed these units. And I think what you've heard from us today is I'm not at all being flippant about the city's ordinance. That's just, that's

our position. And yes, we knew that that was what was going to be, that was the ordinance, but also we are in an industrial high zone that generally permits for less than excessive odors, right? And so we're just trying to fit in, we're not trying to run Walking Comfort or Intermountain Wind and Solar out of Centerville City. If ultimately the resolution is to help them move to a new facility, we're willing to do that. We are not trying to force them to do anything, right? We are just trying to fit in with the community and we're trying to be as compliant as possible. And yeah, this might not be the end of this issue, but I hope the board will see the tremendous effort that we've put in in a very short period of time and you've heard admissions that there has been improvement. Let's let that improvement continue. Let's not shutter a business that makes up a good portion of this limited license market here in Utah. Let's continue to work on this together. And I think you've heard both from Intermountain Wind and Solar, as well as from Walking Comfort, that they're willing to continue to work with this. They may not be as optimistic as we are and I understand from their position, but by the data we have already seen, you know, a reduction in some of these things and we believe the SGS test will show the same. So I'm happy to answer any other questions. Just want to clarify those for you."

- **Miles Maynes moves to approve the Medical Cannabis Cultivation License Renewals for Wholesome AG**
 - **Motion Seconded - Josh Daniels**

Commissioner Craig Buttars: "So, a question that I have is, if we approve this, but the City Council doesn't renew their license, their business license, then our approval is null and void, is that correct?"

Melissa Ure: "We would have to take action against the licensee and we would have to take those appropriate steps when necessary at that point."

Commissioner Craig Buttars: "Is there a possibility that we could make the approval of this license contingent upon the city's action?"

Melissa Ure: "We do not have a temporary or conditional licensing available at this time. But again, that does not stop the agency from taking future action against the licensee."

Cody James: "And I could just clarify as well. So the violation that the department has on this is based on the violation of ordinance from the city. And so it's almost every action that we're having on this situation, whether it's the licensing one or any further violations, is really based on kind of the city's lead type of that as long as the city- and I have stayed in contact with Corey Snyder, who's the Community Development Director with Centerville City, who's been updating me regularly on their things, the city is working with Wholesome, as you've mentioned there. They're trying to come up with a solution, so they're not extending any violations at this time of their ordinance. So at this point, we're in that same kind of pattern with them."

Miles Maynes: "I say yes, but I do want to just clarify why. I want to emphasize the level of cooperation that's existing between Wholesome and Centerville. I understand the frustration from its community members and citizens. I also think that there's a place to have the relationship work. And so that's why I say, from my perspective, yes."

- **All Present - YES**

Medical Cannabis Cultivation License Renewal: Standard Wellness

Cody James Introduces Standard Wellness: "So Standard Wellness is another one of our original cultivation licensees being rewarded license in 2019. They have not had any significant change in ownership either. But Standard Wellness has two cultivation locations. One is in Box Elder County and the other is in Weber County. They grow both indoors and outdoor. They have 49,344 square feet indoor and 2.4 acres outdoor. Their 2023 projected production was 4,582. Our MJ Freeway

records show that they produced 11,207. Their projections for 2024 was 9,719 pounds, or is 9,719 pounds. In 2023, Standard Wellness had zero failed quality assurance tests from their cultivation locations. And during the past year, Standard Wellness received one letter of concern and 15 warning violation letters with a total of 31 areas of noncompliance, which is more than double than the amount of the 2022 areas of noncompliance, which equaled 15. Again, I will apologize, cause this might take me a little bit, but to go through these, the letter of concern was from May of 2023, which was the inventory review of hemp going in the same space as cannabis, although it was not the same license or in the same place that there's a letter of concern. based on the findings there. March 4th was found at the Cannabis Cultivation Facility Agent violation as well as change in operating plans. We found 10 new people working under the visitor policy that did not have completed applications. Also found several fertilizers that were not listed in the operating plan. In February, we found more pesticide and fertilizer use violations reviewing pesticide and fertilizers. There were several products that did not have material safety data sheets available or the correct sheets available. Also found two fertilizers that were not registered with the state. None of the fertilizers listed were in the approved operating plan. In March, we found some security requirement violations, inventory control violations, transportation violations, and medical cannabis transportation violations. Reviewing the ICS for Point Break had a physical count of 175 and a count of 125 in ICS. And according to the findings, 50 plants accidentally sent to waste but not wasted and needed to be reactivated. Found that the state license number, transporter name, and facility address in the producer information section was missing on a manifest. Also found a manifest dated from February 28th that was missing the directions and the transporter name, state license number, and the driver information section. Reviewing security requirements, we found that geraniums from the location where these are being grown in the controlled area with cannabis at Pinea. May 15th, found security requirement violations, inventory control violations, transportation, and minimum requirements for storage and handling. Reviewing security requirements, we found that there were several entries between April 16th and April 23rd on the visitor log missing the badge number and the departure times. Found that there was a final product found being stored at the second location when it was in the Standard Wellness processing inventory vault at their processing location. Also found that in the drying trailers, flower material on the floor that was not gathered and entered into the ICS, the trailers were empty other than the flower material found on the floor. They found manifests dated March 15th missing the transporter name, making the manifest incomplete. They found cannabis being stored in containers stacked upon antifreeze and being stored with other boxes of miscellaneous items that could contain potential contaminants. July 13th, we found violations of cannabis cultivation facility requirements, pesticide and fertilizer use and change in operating plans. We found that a scale from the trim room being used to weigh cannabis that was expired. The scale was expired, I should say. Reviewing pesticide and fertilizer found Ultrasol K Plus 13.7-0-49 was not registered with the Department of Agriculture and Food, nor was it listed in their operating plan as approved to be used on cannabis. Found a Rad Source 420 Decontamination machine that was being used and not approved on their current operating plan. On August 11th, we found an inventory control problem that found while attempting to count Papaya plants, the inspector had to make several rounds of counting due to plants being unorganized, and after several counts found that the physical plant count was 97 to 98 where the inventory control system showed 105. In October, there's an operating plan violation as well as more pesticide and fertilizer use violations and transportation. The following fertilizers were not part of the current operating plan: Green Hill Ammonium Nitrate 34-0-0, Kemapco Potassium Nitrate 13-0-46, Greencare Micronutrients, Mono Potassium Phosphate 0-52-34, Magnesium Sulfate, Urea, Magnific Magnesium Nitrate 11-0-0, and Calcinit 15.5-0-0. And since the inspection took place the Department of Agriculture has received a change request to the plan to include the fertilizers but at the time of inspection they were not in compliance and not part of their current operating plan. he transportation manifest dated September 18th, the departure facility address was missing. And then going back to location number one, in February, we had some security requirements and inventory control violations. Found an employee who had a visitor badge working

under the visitor policy, however, the employee was not signing to the visitor log, and also counted 14 plants of MAC strain that were not listed in the inventory control system. However, there were 14 plants of MAC strain that were last, or sorry, two different batches that were listed. In April, there was security requirement violations, inventory control violations and operating plan violation. We found that one Point Break plant should have been present in the flower room, was reactivated for some reason in the system. We also found three plants in the veg that did not have physical tags with unique identification numbers on them. Found that the video storage was not able to go back to the required 40 days of footage retention. The camera footage was only able to pull up from March 13th forward. Found two fertilizers, Fortify 12-0-0 and V-Basis, that were on site and were not registered with the department nor in the approved operating plan. Department of Ag also found several fertilizers being stored in the same area as the product; that being the cannabis product. June 2nd we found a change in operating plan violation. Found that two fertilizers that were not listed on the approved operating plan. They did not actually respond to that violation. July 13th inventory control violations. There were three rows of plants that did not have physical tags on them. Also found that the inventory showed a batch that had 15 plants listed in the ICS as located in the greenhouse and no plants were able to be found. In October, we had a violation where they did not receive- we cited them or gave them a warning because we did not receive a formal response provided to us as outlined in the warning notice for cases mentioned before. It is outlined in our warning letters that they have 20 days to contact us and tell us how they're going to fix that or to give us reasons why that warning shouldn't stand. August 11th, inventory control found several plant tags in outdoor growing fields had either broken off, were buried in the soil or could not be located on the plant. Plants must have a physical identification tag on them. The inventory control system showed the physical count of the Princess Haze plants was off. And then on October 13th, they had operating plan violation. Inventory control violations and cannabis cultivation facility agent violations. They had fertilizers that were not part of the operating plan. Again, with the Athena products: Athena Grow 2-8-20, Athena Bloom 0-12-24, and Great White Mycorrhizae. They had several plants that were observed in the veg room that were over eight inches tall without proper unique identification numbers attached. Had 28 plants listed in the greenhouse but were located outdoors. The inventory count in the flower room three was off from the inventory control system. The ICS showed 38, actual count was 39. The inventory control system showed 56 on another plan, the actual count 54. It was noted that an employee was signed in as a visitor and working without a completed application with UDAF as well. As mentioned, that's a lot. I apologize that it took so long. But there was, again, 15 warning letters, one letter of concern. With 31 areas of noncompliance. That's, again, double- more than double than what the noncompliance areas during 2022. And as I mentioned, Standard Wellness had at least two of these cases where they failed to respond to the Department about the violations sent to them in a warning letter. The Department does have some concerns about the ability to meet compliance of the laws and rules, especially for a grower that has been licensed since 2019 and should know the regulations and be able to live by those. One thing to take note, that was a little bit more than any of the other licensees, is that Standard Wellness did have several violations of the same type. According to statute, there's that limit of three, but they had three violations of operating plan, four violations for security requirements, nine violations for inventory control, three violations for pesticide and fertilizer use, and another three violations for change in operating plans. With that, I'll turn it back to the board."

Standard Wellness States: "This is Scott Erickson, Chief Operating Officer with Standard Wellness. Thank you for the opportunity to address the board and talk through some of these issues. There are a lot of these. A lot of them are fairly minor and were resolved almost immediately upon the inspector coming or the warning letter being sent from the department. A few other things that we have taken action on over the past few months. We've hired a director of compliance for the company. We have a weekly internal audit for every department in Utah. So every week somebody from outside of the department goes to and does a full inventory account in

the vault, for all plants, for things that are happening and processing to make sure that we can address those inventory control issues. So that's one- two items that we've done. We've hired an individual with a commercial pesticide license that is licensed by the Department of AG to address many of these pesticide and fertilizer issues. Some of those are a misunderstanding of who was responsible to submit the change request for different pesticides that are used. Some of them were a situation where it was a change in the vendor. So with the UDAF requirement for pesticide registration and fertilizer registration, they had switched vendors of the same product, but a different vendor that had not been approved. And so we went through and fixed that and worked with the vendors to make sure they got their pesticides approved through the department and switched to others that were there. And then our supply chain manager who handles much of this was out for about three months on maternity leave from May through August, where many of these issues we ran into and those should be resolved. There was a no response for other cases in October. That was in the middle of our outdoor harvest and that's a mistake on our part. We were busy with the outdoor harvest, but that doesn't give us a reason not to respond. We apologize for that and we'll fix that. And then the final thing is we have terminated about three employees for issues related to these instances. We are committed to doing things the right way, making sure that we are following rules and regulations and we have set in place plans to address inventory and pesticides on each one of these areas."

- **Commissioner Craig Buttars opens the Medical Cannabis Production Establishment Board Questions;**

Q. Drew Gubler asks what their internal audit process looked like before hiring the individual mentioned before.

A. Standard Wellness states that the manager in the respected area was responsible for conducting an audit. When they discovered that the process was not being followed they hired the individual mentioned before. Their hope is that someone outside of the respected department conducting the internal audit will garner better consistency and accurate information.

Q. Miles Maynes asks Standard Wellness what the impact to the market will be if their license is not renewed.

A. Standard Wellness states that they believe that the patients will lose affordable good, high quality products. However, they recognize that the existing prices in the market are high for most patients, and they are actively working to get those prices lowered. As a cultivator they have made the choice to have greenhouse grows, indoor grows, and outdoor grows, where most other licenses grow one or the other.

Q. Dr. Edward Walker asks Cody James for clarification on the specifications of having other plants growing, such as the geraniums, in a medical cannabis grow.

A. Cody James states that it isn't specifically mentioned, but due to Standard Wellness having such a large grow area, there are employees without agent cards allowed into restricted areas. There is also a concern with the grow being exposed or contaminated to whatever is used on the additional plants. So while there is nothing in statute that states additional plants cannot be grown within a medical grow, there are some concerns.

A. Standard Wellness states that they took precautions in respect to the growing of the geraniums. Both grows were under camera surveillance, employees were trained on whether or not they could cross the line between the two, and anything used on the plants were compliant with the Medical Cannabis Division.

Q. Dr. Edward Walker asks for clarification on whether the geraniums are now in a separate area.

A. Standard Wellness states that they are in the same room as the medical grow, however, there is a physical fence that separates the two. Employees are unable to cross between the two.

The geraniums themselves were only located there for three to four weeks, and they do not anticipate putting them in the same room again.

Q. Dr. Edward Walker asks Standard Wellness to comment on the seemingly cavalier attitude about regulations. Referencing his concerns with there being no backup for quality assurance if one person is on an extended leave.

A. Standard Wellness states that they agree that the violations do not look good, and while several of the issues were simple fixes they should have been caught beforehand. With that in mind, they have put processes in place to do so, including the hiring of the commercial pesticide licensed individual to conduct their internal audits. They do plan on implementing a process they have in their out of state facilities, where everything concerning pesticides and fertilizers is verified with the state before being brought into the facility.

Q. Dr. Edward Walker asks if they plan on extending their verification process to their employees as well.

A. Standard Wellness states that they do plan on conducting a verification process for the employees in terms of their agent cards, however, there had been an allowance for employees to work in the facilities under the visitor policy. That allowance was changed and since that point they have gone through the process of procuring badges for all employees at the facility. There they also implemented a check of all security badges signed out to ensure that they are properly documented and returned.

A. Cody James clarifies that the allowance of an employee to work at a facility under the visitor policy had been put in place with training in mind and not long term use. He states that at the beginning of the program the allowance had to be made due to the amount of time it took to process an agent card application due to the new requirements. However, the allowance was only applicable to employees who had already submitted an application and were waiting for their physical agent card and were being escorted, while at the facility, by another employee with a valid agent card. The violations mentioned in regards to this policy were due to those requirements not always being met.

- Commissioner Craig Buttars opens the Public Comments; no Public Comments were submitted and Public Comments were closed

Commissioner Craig Buttars: "Cody, can I come back to you to get, I know you gave us the, I believe it was the, you cited the instances of non compliance, can you review those again? Tell me what you said before that as far as what code or policy?"

Dr. Brandon Forsyth: "It's 4-41a-201(9)(b). 'The licensing board may revoke a license under this part: after the third of the same violation of this chapter, in any of the licensee's licensed cannabis production establishments or medical cannabis pharmacies'."

Dr. Edward Walker: "Without timeframe, not like, within one year?"

Dr. Brandon Forsyth: "Yes, it's not specified for that. And it does say 'may', so it is at the board's discretion."

Cody James: "And I look to you to your question, Dr. Walker. The department has taken a stance up to this point that we look at every licensing year differently, right? If we looked all the way back to 2019, there'd be a lot of multiple violations. So we've been kind of renewing that with every renewal licensing year. But as I mentioned, that there is quite a few on this one. So begs the question that the commissioner asked."

Standard Wellness: "We would offer to come and sit down with the Cody and them and put a plan of action together to prevent this in the future. To talk about remedial steps to move forward on this. If that's something that the board is open to."

Dr. Edward Walker: "Yes. Scott, I think that's imperative that we do that and keep open communications. My vote today would be contingent upon asking Cody to heighten their monitoring of your improvements and to specifically respond to a request to see that this is improved for

next year. I would hate to see the state lose 10,000 pounds of production this year if we cancel this, but at the same time, if this were to go on another year like this, I'd have to vote negative on that. For the time being, is that something that we can do as a board to ask you to not necessarily inspect more directly or whatever, but report back to us next year through your inspections if this is improved in your opinion?"

Cody James: "I always bring to the board what the statute says and try and bring what has been found during that year. We're going to always inspect as honestly as we can."

Dr. Edward Walker: "I certainly didn't mean to disrespect you, but I would just like to see next year- that we make a special note in the minutes that I'd like to see whether this is improved or not in the past year. That's all with respect to numerical values on warnings and violations, things like that."

Cody James: "I'm not a board member or commissioner, and I don't want to elongate this meeting any more than we have, but there is always that opportunity to go to a closed session if the board votes for it. But it's something that we've stayed away from for the last couple years of trying to put any type of information out other than what we found to the board. The numbers, I think, and the number of violations speak to our concerns of licensure. I mean, we would hope it's improved, you know, and we would expect the same thing that you do, Dr. Walker, but it's it's also like I said. I did feel like this rose to the occasion that we, the department or at least the division itself, should bring those concerns of this renewal based on their noncompliance issues."

Miles Maynes: "Can we motion to enter a closed session to a date in the future to review some of this or is this have to be decided today?"

Melissa Ure: "Because the license expires as of January, we would have to have another meeting before that date."

Commissioner Craig Buttars: "My thought is, could we require a monthly update on the actions that Standard Wellness has taken to work with the department? I guess, the licensing board could ask for information on any of these licenses at any time. And I think we need to be appraised either on a monthly basis or on a, you know, at least a half-year basis of what's taking place so that the actions that are being taken are actually addressing the problems."

Melissa Ure: "Yeah, there is the possibility because, I mean, this is a renewal. As the year progresses, there is nothing that prevents the department from taking actions on a license as it moves forward throughout the year. So, for example, they talked about revocation. Revocation can happen. The statute allows for that to take place. There's a process in place for that to go through. But yeah, I mean, at any point, just because you're renewing it now does not mean there's nothing that can be done between now and December of 2024. There are myriad of options. Continued citations. Remember, these were warnings that were given, not necessarily citations. Cease and desist orders in which we can then get everything in place. And then suspension and up to and including revocation. That can take place during the year."

Dr. Edward Walker: "So, within our motion to vote on this today, we might incorporate a review in the future. Would that be, or, you know, specify that within, you know, six months we can make the license conditional in six months."

Melissa Ure: "Again, that would be a conditional license and it's not- we don't have that."

Dr. Edward Walker: "Okay, but the board could just ask for updates, we could ask for updates."

Cody James: " I will say, Melissa mentioned that these were warnings and the the department this year, took it upon itself after January, to start doing warnings for everything unless it rose to the occasion that it was a definite unlawful act; so against statute and what rose to the occasion that we felt like it needed to be that. The reason for that was because the industry itself had kind of told us that they don't need to be cited with fines, and that they would be able to to self-comply. Unfortunately, we saw the majority of them be able to go and be better, right? Get either similar types of violations or lower those or not, go grand. But this was based on the warnings. I don't necessarily want that to be an excuse. That was a decision made by the department to not be overbearing as the government. But it's definitely something that probably didn't work over the year. We'll probably be going back to the old ways in 2024."

- **Josh Daniels moves to approve the Medical Cannabis Cultivation License Renewals for Standard Wellness**
 - **Motion Seconded - Drew Gubler**
 - **All Present - YES**

- **Dr. Edward Walker moves to adjourn the Medical Cannabis Production Establishment Board Meeting**
 - **All Present - YES**